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Costa Rica

The United States and Costa Rica concluded negotiations under the U.S.-CAFTA agreement in January, 2004. The agreement is pending approval by the Congress of each country. Costa Rica's WTO tariff binding is 45% for most countries. However, there are sensitive products, like poultry, that can have tariff rates ranging from 34%-150%. Once the agreement is implemented, it is anticipated that U.S. agricultural products will become more competitive as duties decline and remaining non-tariff barriers are expected to be eliminated or phased out.

The most significant trade barrier for U.S. exports to Costa Rica is the plant inspection requirement for export plants. A 1993 regulation requires all meat export plants to be inspected and approved by the Ministry of Agriculture (MAG) before they can export to Costa Rica. The Government of Costa Rica had approved a new regulation in 2003 that allowed the approval of equivalent inspection systems, however, they still have not approved the U.S. inspection system. The system approval process has been put on the agenda as part of CAFTA..

U.S Poultry Exports to Costa Rica (Metric Tons, January-December)

	1999	2000	2001	2002	2003
Egg products	368.9	265.4	216.0	297.0	425.8
Poultry Meat	<u>108.6</u>	<u>468.9</u>	<u>818.7</u>	<u>1,213.5</u>	<u>1,541.6</u>
Total	477.5	734.3	1,034.7	1,510.5,	1,967.4

Sources: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics; Foreign Agricultural Service, USDA

Canada

Test results confirmed on March 12, 2004 the presence of highly pathogenic H7N3 Avian Influenza (AI) on a chicken farm in southern British Columbia. This is the second outbreak in British Columbia. Approximately 16,000 birds were killed on the first farm and 32,000 on the second farm. The Government of Canada (GOC) established a control area to prevent further disease spread. The area is the Fraser Valley and includes the Greater Vancouver Area, but not Vancouver Island or the Okanagan Valley. The GOC has also temporarily banned poultry products being exported from the Lower Mainland region.

What is unusual about the last out break is the second farm had both low and high path strains. The GOC, in an effort to reduce such an occurrence from happening again, is seeking to create a program that routinely tests flocks across the country.

Source: Multiple News Sources

European Union

Health officials in the Netherlands have confirmed that 2 poultry farms, a free range chicken farm and a free range duck farm, had been infected with low-pathogenic Avian Influenza (AI). The 22,000 chickens were destroyed on March 13, 2004 and 800 ducks on March 15, 2004.

In response to last year's AI out break in which the more than 30 million birds were forced to slaughter, or approximately one-third of the commercial stock, and after consultation with poultry industry, a monitoring system and early warning system was set up so that any harmless strain of AI can be eliminated before it develops into an aggressive form. Under the monitoring system, blood samples are taken once a year on all poultry farms. On free range farms blood samples are taken once every quarter because of their ability to come in contact with wild birds that can carry low pathogenic AI. The Netherlands have tested approximately 1,000 farms so far.

Meanwhile, the European Commission for Health and Consumer Protection is preparing a Contingency Plan. The Contingency Plan would set a series of steps to be taken by member states and the European Community to address the threat of an influenza pandemic. The Commission views an influenza pandemic not a matter of if, but when. Currently, they perform surveillance for AI strains that might mutate into highly pathogenic strains, have a communicable disease network for flow of information and consultation between experts, a contingency plan in case an out break occurs, are establishing an European Center for Disease Prevention to be operational by early 2005 and analyzing plans by acceding states.

Source: Various Sources

India

India's domestic consumption, however, suffered a blow during the first quarter of 2004 with the occurrence of Avian Influenza (AI) in the surrounding countries. Even though no AI was reported India, egg and poultry consumption dropped by 40 percent in some parts of the country due to consumer concerns. The farm gate broiler price went as low as Rs 10-20 compared to a cost of production of Rs 30-32. Some say the industry has already lost Rs 500-800 crore and counting since the beginning In January and was losing in a range of Rs 15-20 crore per day. India, in an effort to prevent high path AI from getting into the country, has banned imports of grand parent stock and vaccines of avian origin. About one third of broiler chick supplies and one fifth of layer chick supplies depend on foreign breeding stock imports.

Retail prices for frozen chicken dropped from Rs 60 per kg before AI to Rs 30 per kg with branded products still selling at the same rate after AI. Other parts of the country noted 'dressed' chicken meat selling upwards of Rs 60 kg at retail. Reports have been noted that chicken demand has started to return to normal, however, eggs ere lagging. Egg sales in some parts of the country were 100 eggs per day and had dropped to 100 eggs every 4-5 days after AI.

Source: Various News Sources

Inspected Egg Products-U.S. & Canada Export/Import Trade

March 6, 2004 data on page 4.

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending March 13, 2004		Year-To-Date	
Type	2004	2003 /1	2004 2003
LIQUID	239	154	1,549 1,927
FROZEN	0	14	0 14
DRIED	0	51	97 135
TOTAL	239	219	1,646 2,076

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending March 13, 2004		Year-To-Date	
Type	2004	2003 /1	2004 2003
LIQUID	88	49	1,072 1,309
FROZEN	0	198	200 923
DRIED	80	40	595 200
TOTAL	168	287	1,867 2,432

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending March 13, 2004		Year-To-Date	
Type	2004	2003 /1	2004 2003
JUMBO	0	0	50 0
EXTRA LARGE	0	30	2,160 180
LARGE	800	30	9,893 5,233
MEDIUM	1,500	3,120	7,530 8,884
UNGRADED	0	0	13,488 1,470
MISC	0	660	0 1,392
TOTAL	2,300	3,840	33,121 17,159

/1Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture Canada, Poultry Development Division.

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

		Mar 19, 2004	
CHICKEN		PRICES	VOLUME
		(Cents per Pound)	

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		Mar 19, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	13.00-15.00	142,800	-
WTD AVERAGE		13.29		
15-20%				
RANGE	13.00-14.00	12.00-15.00	2,085,200	1,330,400
WTD AVERAGE	13.58	13.59		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 13-Mar-04

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,344	1,165	2,509
LAST WEEK	1,129	1,250	2,379
SAME WEEK YR AGO	1,558	1,356	2,914
TO-DATE/2004	12,737	12,646	25,383
TO-DATE/2003	16,627	13,644	30,271

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	377	0	377
LAST WEEK	78	0	78
SAME WEEK YR AGO	190	3	193
TO-DATE/2004	2,371	29	2,400
TO-DATE/2003	3,344	49	3,393

Source: Agriculture Canada, Poultry Development Division

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,721	1,165	2,886
LAST WEEK	1,207	1,250	2,457
SAME WEEK YR AGO	1,748	1,359	3,107
TO-DATE/2004	15,108	12,675	27,783
TO-DATE/2003	19,971	13,693	33,664

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

		Mar 19, 2004	
CHICKEN		PRICES	VOLUME
		(Cents per Pound)	

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		Mar 19, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	13.50-16.00	-	840,000	520,000
WTD AVERAGE	15.05			
15-20%				
RANGE	12.08-19.00	12.50-14.00	1,691,200	728,000
WTD AVERAGE	15.76	12.93		
20% OR MORE				
RANGE	-	12.00	160,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 19 MARCH 2004.

The white meat market continued steady to firm. Demand fair to good. Offerings of fresh tom breast meat ranged from short to instances adequate for buyers' needs, but were held with confidence. The balance of white meat offerings were light at best. The trade sentiment on tom drums was barely steady to instances weak with processors continuing to watch for any export market developments. The undertone on tom 2-joint wings was barely steady at best, tom full-cut wings and necks were steady. The market was steady to instances firm on mechanically separated turkey (MST) with some unsettledness noted. Domestic demand was good on fresh MST, light to fair into export channels. Offerings of fresh MST were light at best, frozen mixed with export availability dependant on destination. The market on tom defatted gizzards was steady to barely steady with some noting offerings at lower trending price levels. Domestic trading centered on fair volumes of white meat and tom drums, balance light. Export trading was fair on frozen thigh meat.

FRIDAY, MARCH 19, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/ R	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS			49.00	40	48.28	144
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		R	33.00	446	33.00	446
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	89.00-90.00	T	32.50	40	32.50	40
			89.42	240	89.08	1,276

THURSDAY, MARCH 18, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/ R	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	49.00		49.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	33.00		33.00	446
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	86.00-95.00	T	32.50	40
			90.42	596

WEDNESDAY, MARCH 17, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/ T	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS			48.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	87.00	T	32.50	40
			87.00	40

TUESDAY, MARCH 16, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/ T	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	48.00		48.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	32.50 87.00-88.00		32.50 87.60	40 200

MONDAY, MARCH 15, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/ T	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS				
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	86.00-89.00		86.60	200

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

INSPECTED EGG PRODUCTS - U.S. & CANADA IMPORT/EXPORT TRADE**U.S. EXPORTS TO CANADA, IN POUNDS (PRELIMINARY)**

	Week Ending March 6, 2004 (000)		Year-To-Date (000)	
TYPE	2004	2003 /1	2004	2003
LIQUID	239	103	1,310	1,773
FROZEN	0	0	0	0
DRIED	0	0	97	84
TOTAL	239	103	1,407	1,857

U.S. IMPORTS FROM CANADA, IN POUNDS (PRELIMINARY)

	Week Ending March 6, 2004 (000)		Year-To-Date	
TYPE	2004	2003 /1	2004	2003
LIQUID	133	43	984	1,260
FROZEN	42	193	200	725
DRIED	0	0	515	160
TOTAL	175	236	1,699	2,145

INSPECTED SHELL EGGS**U.S. EXPORTS TO CANADA, IN 30-DOZEN CASES (PRELIMINARY)**

	Week Ending March 6, 2004		Year-To-Date	
Type	2004	2003 /1	2004	2003
JUMBO	0	0	50	0
EXTRA LARGE	1,200	0	2,160	150
LARGE	1,500	480	9,093	5,203
MEDIUM	750	1,590	6,030	5,764
UNGRADED	2,208	0	13,488	1,470
MISC	0	720	0	732
TOTAL	5,658	2,790	30,821	13,319

/1 Comparable Week, to-date figures may not total due to rounding.